

2013 PRODUCTIVITY ENHANCEMENT PROGRAM (PEP) DESCRIPTION

(Enrollment form is included on page 4)

Overview

The Productivity Enhancement Program (PEP) for 2013 allows eligible CSEA-represented, PEF-represented, and Management/Confidential (M/C) employees in the Executive branch to exchange previously accrued annual leave (vacation) and/or personal leave in return for a credit to be applied toward their employee share of NYSHIP premiums on a bi-weekly basis. In no case can the credit available under the program be applied to the employer share of NYSHIP premiums.

The program will be available for the entire 2013 calendar year.

Full-time CSEA- and PEF-represented employees in Salary Grades (SG) 1-17 who enroll in the program will be eligible to forfeit a total of either 3 days (22.5 or 24 hours for 37.5 and 40 hour workweeks, respectively) or 6 days (45 or 48 hours for 37.5 and 40 hour workweeks, respectively) of annual and/or personal leave standing to their credit at the time of enrollment in return for a credit of up to either \$500 or \$1000, respectively, for the 2013 program year to be applied toward the employee share of NYSHIP premiums deducted from bi-weekly paychecks during the program year, January 1-December 31, 2013.

Full-time CSEA- and PEF-represented employees in SG 18-24, who enroll in the program will be eligible to forfeit a total of either 2.25 days (17 [rounded up from 16.875] or 18 hours for 37.5 and 40 hour workweeks, respectively) or 4.5 days (33.75 or 36 hours for 37.5 and 40 workweeks, respectively) of annual and/or personal leave standing to their credit at the time of enrollment in return for a credit of up to either \$500 or \$1000, respectively, for the 2013 program year to be applied toward the employee share of NYSHIP premiums deducted from bi-weekly paychecks during the program year. In cases where the payroll percentage of these employees results in a leave forfeiture that is not a quarter-hour increment, the leave forfeiture should be rounded to the nearest quarter-hour (rounding up when the resulting figure is exactly between two quarter-hour increments).

Full-time M/C employees earning up to \$59,312 who enroll in the program will be eligible to forfeit a total of either 3 days (22.5 or 24 hours for 37.5 and 40 hour workweeks, respectively) or 6 days (45 or 48 hours for 37.5 and 40 hour workweeks, respectively) of annual and/or personal leave standing to their credit at the time of enrollment in return for a credit of up to either \$500 or \$1000, respectively, for the 2013 program year to be applied toward the employee share of NYSHIP premiums deducted from bi-weekly paychecks during the program year, January 1-December 31, 2013.

Full-time M/C employees earning more than \$59,312 and up to \$77,454, who enroll in the program will be eligible to forfeit a total of either 2.25 days (17 [rounded up from 16.875] or 18 hours for 37.5 and 40 hour workweeks, respectively) or 4.5 days (33.75 or 36 hours for 37.5 and 40 workweeks, respectively) of annual and/or personal leave standing to their credit at the time of enrollment in return for a credit of up to either \$500 or \$1000, respectively, for the 2013 program year to be applied toward the employee share of NYSHIP premiums deducted from bi-weekly paychecks during the program year. In cases where the payroll percentage of these employees results in a leave forfeiture that is not a quarter-hour increment, the leave forfeiture should be rounded to the nearest quarter-hour (rounding up when the resulting figure is exactly between two quarter-hour increments).

The credit will be divided and distributed over 26 pay checks issued in 2013. For full-time employees the bi-weekly credit will be \$19.23 or \$38.46, based on a \$500 or \$1000 annual credit respectively. The credit will be applied toward the bi-weekly premium payments required for coverage under NYSHIP in that plan year, up to the bi-weekly cost of the enrollee's employee share of NYSHIP premium. The bi-weekly value of the credit will not be adjusted for enrollees who do not pay all bi-weekly employee share deductions during the plan year. Therefore, employees who do not expect to make all employee share premium payments during a plan year may not wish to participate in that plan year.

During any plan year in which an employee participates, the credit established upon enrollment in the program will be adjusted only if the employee moves between individual and family coverage under NYSHIP during that plan year.

Once enrolled for a given plan year for a given plan year, employees continue to participate for the duration of that plan year unless they separate from State service or cease to be NYSHIP contract holders. Leave forfeited in association with this program will not be returned, in whole, or in part, to employees who cease to be eligible to participate in this program.

Enrollment

The enrollment period for the 2013 plan year will be from November 1, 2012 through November 30, 2012. Employees are required to submit a separate enrollment form for each year in which they wish to participate.

Eligibility

At the time of enrollment, employees must:

- For CSEA-represented, PEF-represented and classified M/C employees, be in a title at SG 24 or below;
- For M/C employees, be an employee with an annual salary no greater than \$77,454 and be employed on a Calendar or College Year basis;
- Have a minimum combined balance of annual and personal leave of at least 8 days after making the forfeiture; and
- Be a NYSHIP enrollee (contract holder) in either the Empire Plan or an HMO at the time of enrollment

To enroll in the program for the 2013 plan year, employees must meet all eligibility criteria as of November 1, 2012, as well as the time of enrollment. To enroll for other plan years, employees must meet all enrollment criteria as of the date of enrollment.

Part-time Employees

Eligible part-time employees may participate on a prorated basis. Part-time annual-salaried employees who meet these eligibility requirements will be eligible to participate on a prorated basis in accordance with their payroll percentage. In cases where the payroll percentage of these employees results in a leave forfeiture that is not a quarter-hour increment, the leave forfeiture should be rounded to the nearest quarter-hour (rounding up when the resulting figure is exactly between two quarter-hour increments).

Re-employed Retirees

Retired New York State employees who have returned to work must meet all the eligibility criteria for participation in the program and must have the employee share of their NYSHIP health insurance premium deducted from their bi-weekly paycheck. Re-employed retirees who retain retiree status for health insurance purposes are not eligible to participate.

Leaves of Absence

Participants who go on sick leave at half-pay during a program year in which they are PEP enrollees will continue to have the health insurance premium credit applied to the employee share of health insurance premiums deducted from bi-weekly paychecks.

PEP enrollees who go on leave without pay (LWOP) and do not receive a waiver of premium continue to participate in the program, paying the employee share of the NYSHIP health insurance premium at the reduced rate. Additionally they pay the employer share of the health insurance premium where required. No portion of the health insurance premium credit available under the program can be applied toward the employer share of the health insurance premium. Leave forfeited in association with the program will not be returned, in whole or in part, to employees who receive a waiver of premium.

Insurance Issues

An employee enrolled in PEP who moves between individual and family coverage under NYSHIP will have his/her health insurance contribution credit adjusted upward or downward as appropriate.

If both spouses are State employees covered under a single family contract, only the contract holder who carries the family coverage can participate in PEP. If both spouses are enrolled contract holders, both may participate in PEP if otherwise eligible.

The Employee Benefits Division of the Department of Civil Service will issue guidelines for agency Health Benefits Administrators concerning the processing of enrollment and status changes for PEP participants.

Taxability

By electing to participate in PEP, an employee reduces the amount deducted from bi-weekly paychecks to pay the employee share of NYSHIP premiums. If the employee currently has that amount deducted on a pre-tax basis, the PEP health insurance premium reduces that pre-tax deduction. The net effect is that the amount of income the employee pays taxes on increases by the amount of the health insurance premium credit. While employees will realize net savings because of the PEP credit, the amount of that savings will be less than the full amount of the PEP credit for anyone currently paying NYSHIP premiums on a pre-tax basis. Furthermore, for each program year of participation in PEP, employees who participate in the pre-tax contribution program may only make changes to health insurance in accordance with pre-tax premium contribution program rules regarding qualifying events, even though the PEP credit eliminates all or part of the health insurance premium deduction.

Employees should be referred to their income tax preparer for questions regarding the tax implications of participation in the PEP.

University at Albany
PRODUCTIVITY ENHANCEMENT PROGRAM 2013 - ENROLLMENT FORM
 completed forms should be submitted to UAB-300

Name _____ Salary Grade _____ SS#(last 4 digits) _____
 Health Insurance Plan _____
 Individual [] or Family Coverage [] (CHECK ONE)

By signing this document, I elect to participate in the 2013 portion of the Productivity Enhancement Program (PEP) and agree to the provisions contained in the Productivity Enhancement Program Description (hereafter program description) that is available in my agency personnel office. I understand that I must meet all the eligibility criteria as set forth in the program description in order to participate.

I understand that, in accordance with the program description, I will surrender leave accruals standing to my credit as a result of participation and that ALL of these leave credits will be deducted from my leave balances at the time my enrollment is processed. Furthermore, I understand that no portion of this leave will be returned to me under any circumstances. I wish to apportion this leave forfeiture as follows:

CSEA-PEF-M/C (Circle One)		
Salary Grade 1-17*	Choose 3 or 6 days _____ by using: _____ Hours of vacation + _____ Hours of personal	*This applies to full-time M/C employees earning up to \$59,312
Salary Grade 18-24*	Choose 2.25 or 4.5 days _____ by using: _____ Hours of vacation + _____ Hours of personal	*This applies to full-time M/C employees earning more than \$59,312 and less than \$77,454

In exchange for forfeiting this accrued leave I will receive a credit as set forth in the program description to be applied against the employee share cost of 2013 plan year NYSHIP health insurance. Pursuant to the program description, the amount of this credit will be established at the time of enrollment and will be adjusted only upon movement between individual and family coverage. I will not receive any amount of credit that exceeds the cost of the employee share of my NYSHIP health insurance premiums paid during that period.

I understand that this enrollment form is for the 2013 program year only.

I understand that in order to participate this completed election form must be received by my agency personnel office by the close of business on **November 30, 2012**. *Forms should be submitted to UAB-300.*

Signature _____ Date _____

PERSONAL PRIVACY PROTECTION LAW NOTIFICATION

This information is being requested pursuant to New York State Civil Service Law section 161-a for the principal purpose of determining eligibility for the Productivity Enhancement Program for 2013. This information will be used in accordance with Public Officers Law section 96(1). Failure to provide this information may result in a denial of eligibility to participate in the Productivity Enhancement Program for 2013. This information will be maintained by the employee's Agency Personnel Office. For further information relating only to the Personal Privacy Protection Law, call (518) 457-9375.

For Agency Personnel Office Only:

Employee's payroll/employment percentage: _____ Salary Grade: _____ Total number of days forfeited: _____

Hours of leave deducted from employee's balance:
 Vacation _____ Personal _____ Date _____

Verification of eligibility. I certify that this applicant meets the eligibility criteria necessary for participation in this program.

Name _____ Title _____
 Signature _____ Date _____

For Health Benefits Administrators Only:

Date Processed _____
 Biweekly Health Insurance Premium Contribution Credit _____
 Name _____ Title _____

Signature _____ Date _____